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Economic Crises. By EDWARD D. JONES, PH.D. New York, The Macmillan Company, 1900. — 251 pp.

This is a safe, careful and solid volume, equipped with all the approved apparatus of a scholar's book, and sure not to mislead or misinstruct the reader. It has its introduction and conclusion; a full index; a classified bibliography, which perhaps suffers by over-elaboration; a summary, or "résumé," at the close of each chapter; and quotations and notes of reference in abundance. But it has also the defects so often found in the books of the conscientious and well-read scholar. It fails to give the impression of continuous and unhesitating thought; it contains too much of the opinions of others, too little of the author's own; it gives such full attention to the qualifications and accessories that the forest is not seen for all the trees.

The absence of clear-cut conclusions, or rather the absence of an impression on the reader of such conclusions, may be the inevitable result of the plan of the book. In successive chapters, the various theories which have been set up in explanation of crises are stated; and *pari passu* with this presentation of the chief theories the author gives his own systematic discussion. This arrangement in itself stands in the way of single-minded presentation of the author's own views; for the different parts of his positive conclusions must be pieced together from widely separated passages. Nor does the very brief concluding chapter present them in incisive shape. At the same time, the discussion of so large an array of topics may easily carry us into the field of economics at large; and certainly on some of them our author has gone farther than was necessary for his own subject, and yet not far enough for the full exposition of the related subject. Thus, the chapter on "Crises and the Wage System" discusses Rodbertus and socialism, with a fragment at the close on workingmen's insurance; that on "Crises and Legislation" considers banking, note-issue and corporation law; that on "Speculation" has something on the services and dangers of speculation at large. On none of these topics is it likely that the reader fresh to the subject will find the exposition sufficiently full and clear; while the trained and informed reader will find nothing new.

The subject of crises may be divided, as Professor Jones points out at the beginning, into two readily distinguishable parts: on the one hand, the financial crisis, the panic proper — a matter of a few weeks or months; on the other hand, the industrial crisis — the prolonged *malaise* of the economic organism, extending over several

years. The first of these is closely connected with the phenomena of banking and credit; the second touches, as indeed this volume shows, almost every phase of economic theory and experience, and the precise mode in which it may best be described and explained is still unsettled. Separable though they are, the two are in many ways connected. The industrial crisis usually follows a panic; and, even though a panic be successfully averted, the causes which threatened to bring it on and the means by which it may have been averted affect the course of the industrial crisis. It is at least doubtful whether the one can be satisfactorily explained without an explanation of the other also.

But on the first mentioned phase of the phenomenon this book offers virtually nothing. It is true there are some paragraphs on banks, note-issue and credit, and something on the obsolete, or at least obsolescent, theory of excessive note-issue as a cause of crises. But there is nothing on the special relation of banks to the acute crisis or on the lessons of experience as to the means of allaying a panic. The history of the Bank of England during the nineteenth century, the peculiar relations of the issue and banking departments, and the gradual growth of a well-defined responsibility and settled policy on the Bank's part; the analogous and yet different position of the Bank of France and the Reichsbank; the striking history of the American crises from 1857 to 1893 and the gradual evolution, as yet by no means completed, of a panic policy in our system of scattered and independent banks; the nature and consequences of the extraordinary development of deposit banking in English-speaking communities and especially in the United States — these are the topics with which a discussion of the financial crisis must concern itself, and on these we find virtually nothing. Here we have the most clearly defined phenomena, the widest range of experience as to the nature of the evil, and the nearest approach to approved remedies; and it must be reckoned a defect in the volume that this part of the subject has been slighted.

On the second phase of the general subject — the "hard times" that usually follow the acute crisis — we have much more; and this is, indeed, the proper subject of the book. To the present reviewer, the essential cause of the recurring eras of depression seems to lie in the complications of the division of labor — the prolongation and diversification of the successive steps in production, the wide separation of producer and consumer, and the impossibility of settled adjustment under conditions of great and rapid changes

in the arts. Credit, speculation, banks, corporations, feverish pursuit of wealth, psychology — all these are accessory phenomena, to be subordinated in the exposition to the one dominant factor, the complex division of labor. The earlier chapters in this book, especially the chapters on the "Industrial Equilibrium," the "Organization of Industry" and the "Problem of Capital," take up this fundamental aspect of the problem; and they are in the main just and sound. Especially the last mentioned of these chapters, on the "Problem of Capital," in which the distribution of capital, the existence of unused or improperly used capital and the existence of gluts are severally examined, is sensible and judicial. Yet even here the reader misses a firm touch and a steady adherence to a guiding principle; and he would have been aided, if this part of the book had been more fully and consistently elaborated, even at the sacrifice of such subsequent matter as that on Rodbertus and socialism or the periodicity of crises and their relation to sun spots.

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Wages in the United Kingdom in the Nineteenth Century. Notes for the Use of Students of Social and Economic Questions. By ARTHUR L. BOWLEY, M.A. Cambridge, University Press, 1900. — 148 pp.

For a number of years Mr. Bowley has been an earnest and indefatigable student of the history of wages in England. He has found innumerable records fragmentary and disjointed, and it has been his task to knit them together into a consecutive history. A few years ago he found the solution of the puzzle in what he terms the "kinetic method," an elaboration of the principles of the index number. In its elements not unknown before,[1] it is in its application to wages new with Mr. Bowley and will doubtless be known as his special contribution to the methods of statistics.

The "kinetic method" shares with the index number the purpose of measuring changes — the latter generally in prices, the former in wages. For such measurements of change in either field absolute accuracy in the original figures is not so essential as continuity in the series. Thus far there is no novelty of principle or treatment. This begins when Mr. Bowley seeks to weld into a common series statements dissimilar in origin and form. Possibly the best explanation of his procedure is an illustration which, it should be added,

[1] See the reviewer's "Wage Statistics in Theory and Practice," in *Publications of the American Statistical Association*, 1899.